

May 21, 2009 - Slaughter Stands Up for Hickey Freeman Employees

FOR IMMEDIATE
RELEASE

Tuesday, May 19, 2009

Slaughter
Stands Up for Hickey Freeman Employees

Washington, DC – Congresswoman Louise M. Slaughter (D-Fairport) today joined colleagues from across the country to urge Treasury Secretary Tim Geithner to weigh in with Wells Fargo on behalf of workers at Hartmarx, a national clothier that employs thousands of workers across the country. Hartmarx owns Hickey Freeman, a profitable division of Hartmarx, which employs hundreds in Rochester.

Due to the tough economic climate, however, the company is in bankruptcy. Unfortunately, Wells Fargo, the company's chief creditor and a recipient of \$25 billion in federal emergency Troubled Assets Relief Program (TARP) assistance, is leaning toward a deal that would result in total liquidation and a loss of jobs.

"It is unconscionable that a financial institution that accepted billions in taxpayer dollars during their time of need would push for a loss of good American jobs," said Rep. Slaughter. "This Congress helped our financial institutions in order to protect American jobs and we intend to ensure that these financial institutions do not turn their backs on Hickey-Freeman and its employees."

Rep. Slaughter is a longtime advocate for Hickey Freeman's employees and today is not the first time she contacted Hartmarx on their behalf. Given Hartmarx's economic situation, in April Rep. Slaughter sent a letter to Homi B. Patel, the President and CEO of Hartmarx, requesting that Hickey-Freeman's manufacturing operations remain in the City of Rochester.

"Hickey-Freeman is a world-renowned brand and the reputation it enjoys as a producer of high quality apparel is a direct result of its tremendously skilled and hardworking Rochester employees," Slaughter's April letter read. "For the health of the Hickey-Freeman brand and for the City of Rochester's economic well-being, it makes strong business sense to keep the company's operations in Rochester."

Additionally, for the past several years Slaughter has worked to keep Hickey-Freeman cost-competitive by successfully enacting into federal law tariff relief for the high-quality fabrics required by the company. This work was instrumental in ensuring that Hickey-Freeman remains healthy, has adequate supplies and can maintain competitive prices.

BACKGROUND

The full text of the letter Rep. Slaughter joined over 40 of her colleagues in sending to Treasury Secretary Geithner regarding Hartmarx, Hickey Freeman's owner, today follows:

May 21, 2009

Dear Secretary Geithner,

We are writing to you concerning certain

financial institutions that are receiving taxpayer assistance but refusing to provide credit in this tough economic climate. As you review the results of the bank "stress" tests and decide which banks need additional funds from the Treasury, we urge you to ensure that institutions provide credit to sustain American companies and the workers they employ.

One such company is Hartmarx, an Illinois and New York-based clothier with facilities in Alabama, Indian, and Pennsylvania, which has successfully dressed America for the last 125 years. Last January the company fell on hard time in part precipitated by pressure from its lenders. Liquidation was temporarily avoided and the company is now in Chapter 11 with debtor-in-possession financing primarily supplied by Wells Fargo/Wachovia. There are currently three viable bids for the company including two which will keep the company generally intact and preserve jobs in this country. However, we understand that Wells Fargo/Wachovia is still seriously considering liquidation of the company and elimination of the nearly 4,000 manufacturing jobs. Given the fact that American taxpayers have provided Wells Fargo/Wachovia with \$25 billion, we find it incomprehensible that it would continue to push for the loss of jobs in a viable company.

This is not the reason why we supported emergency measures to capitalize the banks with taxpayer dollars. Instead, we need to encourage the development of the financial system that promotes the long-term interests of our country and our economy. The case of Hartmarx must not become an unfortunate example of financial institutions failing to provide the credit envisioned by Congress to help maintain corporate operations and preserve jobs in this trying economic climate. We hope that any new funding provided by the government will provide clarity and a change in bank behavior and practice with regard to promoting and preserving jobs in this country.

Several months ago, we saw a similar crisis unfold in a small Chicago company, Republic Windows, where Bank of America cut off the company's line of credit forcing the company to close precipitously. In that case, the workers took action to preserve their pay and a new owner has recently bought the company and is reopening the plant. We hope that Wells Fargo/Wachovia will take a lesson from this, and keep Hartmarx intact. We ask that you help us send them that message.

###

United States House of
Representatives

2469 Rayburn House
Office Building
• Washington, DC 20515

(202) 225-3615 phone • (202)
225-7822 fax • www.louise.house.gov